

A Work Project, presented as part of the requirements for the Award of a Masters Degree in
Management from the NOVA – School of Business and Economics.

**SMART MACHINES IN DAY-TO-DAY FINANCIAL MANAGEMENT:
A LAUNCH STRATEGY FOR A PERSONAL FINANCIAL ADVISOR APP
IN THE UK MILLENNIALS MARKET**

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i. Abstract

Starting from Novabase's challenge to launch in the UK Millennials a personal financial advisor mobile application, this work project aims to build a planning model to frame a business side of a launch strategy for mobile application in similar market and category. This study culminates on the design of SPOSTAC planning model. The created framework is intended to effectively and efficiently plan a launch strategy, being structured based on seven sequential elements: Situation, Product, Objectives, Strategy, Tactics, Action, and Control.

Key words: SPOSTAC; Strategy; Launch; Mobile App; PFA; UK Millennials

ii. Executive summary

Novabase, a Portuguese IT consulting company is developing a mobile application to make life simpler and happier by facilitating the way how people manage their personal finances. Being a traditional B2B consulting company, Novabase is facing organizational challenges regarding the B2C channel. The new app was named *finzzy* and wants to be positioned as the state of art in personal financial management (PFM) apps. This will allow the opening of a new product category, the personal financial advisor (PFA) apps, where the app operates not just as a tracking tool but add a level of knowledge to efficiently advise the users. Novabase defined United Kingdom (UK) as a market to release *finzzy*, and Millennials as the market segment to focus. This working paper will address the challenge of launching PFA tools like *finzzy* in UK Millennials market.

“By failing to prepare, you are preparing to fail.” -- Benjamin Franklin. The relevance on develop a right plan to efficiently and effectively prepare a successful launch strategy leads to the need to define a right planning model. To create a launching plan model, a manager knows that customers, current competitors and potential substitutes may have to be analysed, as well as, product, goals and the concrete strategy. Thus, it was important to perform a correct framework. The SOSTAC¹ plan model by Smith (2014), gives logical and objective ways to analyse the current position of the company with the target market, and develops the business-enlargement plan for the manager. This planning tool was projected to elaborate online marketing plans to establish companies. To plan a launch strategy, it is needed to understand the relevant differences in the requirements for each type of planning tool.

¹ SOSTAC stands for Situation, Objectives, Strategy, Tactics, Action, and Control.

To solve the problem of finding the right structure of a launching strategy it was developed a thorough analysis of different frameworks. The relevant tools and methodologies were founded and merged into, what is meant to be, a complete and efficient plan model for an app launch strategy. The SOSTAC plan that was used as a base model, adding the Product perspective in the framework, with a few adjustments. A SPOSTAC plan model was raised and stands out to cover (i) Situation Analysis, overlooking the customers, market trends and competitors, (ii) Product, addressing the product design and competitive advantage; (iii) Objectives, defining targets to the plan and the product; (iv) Strategy, creating a high level guidelines for product and launch plan; (v) Tactics, breaking down the strategy; (vi) Actions, setting the activities and events to execute the overall strategy; and (vii) Control, establishing procedures to ensure right implementation and continuous improvement.

To conclude, the academic relevance of this work project is based on the strength of the framework created to plan the business side in a launch strategy for an app (Figure 1). The SPOSTAC planning model plan application was then tested applying it on every step of *finzzy*' launch strategy for UK Millennials market.

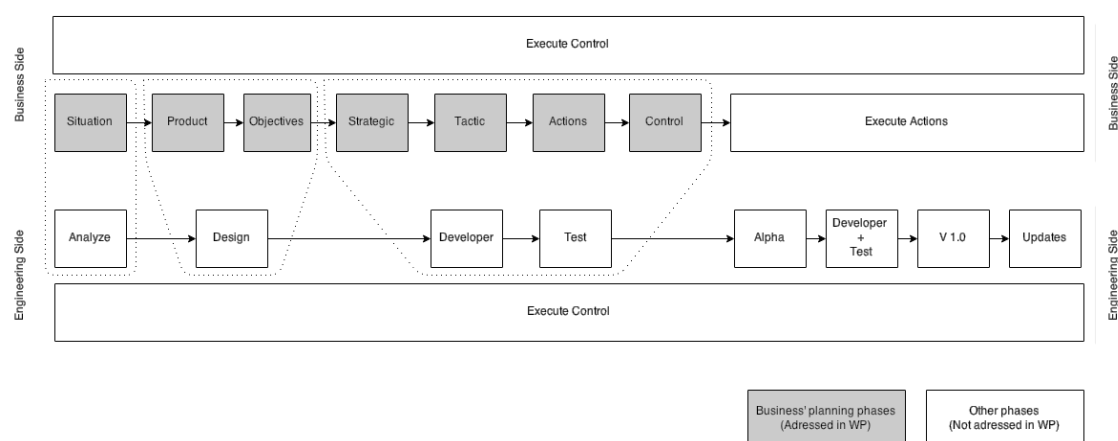


Figure 1: Topics addressed in the Work Project

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1. Situation

“Much computation brings triumph. Little computation brings defeat.” – Sun Tzu. That’s how Sun Tzu describes the relevance of bringing a strong and depth analysis to structure a strategy. In this sense, this first stage can be seen as “taking a picture” of the current situation. Extensive internal and external analysis should be done at this stage to understand the consumer and the current situation in this market. The situation analysis will developed an in-depth costumer analysis, this needs, behaviours and purchase process. This chapter will also cover the relevant market trends for the product category and a competition landscape analysis. The market situation is completed with the elaboration of the Porter’s fiver forces.

1.1. Customer insight

The first aspect to take in account is costumer centricity. This is the philosophy that every company should adopt to guarantee a successful path in the market. A Bain & Co. (2005) study found a huge discrepancy while analysing the customer experience from the companies’ perspective: they claim that 80% of superior experience are given to clients; on the other hand, by analysing the customers’ perspective, just 8% of experiences are really delivered. To develop the customer insight it is recommended to answer three simple but effective questions that follow the MECE principle² (Rasiel, 1999). By asking (i) who the potential clients are, (ii) why they need the product and (iii) how they behave during the acquisition process, the analyst made a clean report. The outcome was clear and objective: by separating the distinctive categories of information, it allowed no overlaps (mutual exclusive) and a full review on the customer insights (collectively exhaustive).

² MECE principle stands for mutual exclusive and collectively exhaustive

1.1.1. Who

This topic will analyse the customer profiling, by defining who the ideal customer for this product is. With this, the company will know which type of costumers are worth to spending resources on, making the journey of finding new profitable costumers much efficient. Shortly, this topic will address the customer profiles, segmenting them into different classes and define personas who represent a typical user with similar needs, goals and motivations, for each segment.

The case study will focus on the Millennials in the UK. There are no precise dates when the generation starts and ends. Howe and Strauss (1992) define Millennial as a person who born between 1982 and 2004. Millennials are described as independently dependent, practically motivated, tech-savvy, social mindful, and financial freshmen (Deloitte, 2009). Therefore, it's clear why Millennials are so different from the precedent generation (Generation X): the difference relies in how to make financial transactions, patterns of spending and saving and investments. Financial services must take this difference in account (Oracle, 2010).

Looking into demographic segmentation, UK Millennials are actually (2015) 17.1M, representing 27% of overall UK population. According Office for National Statistics (2015) this segment of population will increase to 17.9M in 2025. Taking a cue from the segmentation that have been offered by the U.S. Census Bureau, the Millennials will be segmented in to four distinct profiles: (i) dual earners with kids (DEWKs), (ii) dual income, no kids (DINKs), (iii) single and living alone (SALA), and (iv) college students. Having in account the four segments presented above, the profile analyst sketched three distinct customer behaviours reflected into three target profiles (see full description in Appendix 2), subsequently framed in personas (Appendix 3).

1.1.2. Why

This topic will focus on the question: why do customers buy or not the product. This is an important fact to take in account by the marketers because it will give the right knowledge on how to wisely spend the resources, regarding both channels and message. To draw strong conclusions, it is recommended to take in consideration some available literature for this market or similar ones, as well as run a survey on the target population.

In the case of *finzzy* is relevant to highlight that an Oracle (2010) study on US Millennials reported that 37% of the respondents felt the need of assistance in managing their financial affairs. In the same direction, a Novantas (2014) study highlighted the importance of PFM solutions, referring that 46% of respondents wanted their next institution to offer PFM tools. By looking on UK College Students, an Accountz (2011) study said that 70% of respondents would like more support from their bank when it comes to budgeting, and 84% felt that money management tools would dramatically improve their ability to budget and help them gain control of their finances.

In the same direction, the conducted survey (Appendix 1.2) shows the UK Millennials' interest on PFA solutions, recording that 31.5% of respondents are actively looking for this type of solutions. Supporting the relevance of PFA solutions, the survey shows that just 9.3% of respondents claims that have fully capacity to manager their personal finances.

In summary, UK Millennials are looking for an option to better solve the issue of managing their personal finances, mainly because of the positive impact that these tools can have on their financial healthy.

1.1.3. How

To close the customer insight analysis, and after understanding who are our customers, and their needs, it is essential to know how the customer will buy the product: their discover process, the decision journey and the main influencers. With this, marketers are able to build a communication mix to accelerate the purchase journey and deliver a message that fit the decision process.

In this type of products, family and friends play a major role as a support in the decision process. This fact is supported by the BNY Mellon study (2014) which shows that Millennials overwhelmingly see their parents as the primary source of advice on financial planning. In fact, 52% of respondents would turn to their parents first for financial advice, compared with 24% who would speak to their bank. The conducted survey also showed the relevance of friends and family (37.0%) on the decision process. Nevertheless, the survey brings an interesting fact on Millennials' profile, revealing that Millennials are mostly independent on finding a new solution, with 64.8% of respondents (Appendix 1.2).

1.2. Market trends

Trend analysis is based on the concept that what happened in the past can give traders and hint on what will happen in the future. Hence, a well grasp on what are the main trends in the market and how they behave along the time will transfer to the plan a good understanding on what can be the future on the market that the product will operate.

So, from a Financial Services market point of view, to analyse the strength of *finzzy*' entry on the market, it is crucial to understand how banking and financial services environment changed, as well as the prediction to the following years. On Bank 2.0, Brett King (2010) reflected and changed the way how banking was conceived, analysing (i) the impact of internet, ATMs, call centres and smartphones on the bank transactions, (ii) the impact on

customer behaviour and the necessity of banks to adapt themselves to this new reality. Just two years after, King (2012) felt the need to launch Bank 3.0, focusing on the latest trends and consequently redefining financial services and payments. This redefinition led to customer centricity on banking industry. Some other researches shown the digital era as a propeller in the financial services innovation: according to Deloitte (2014), banks had to adapt to this new era of digital banking; EY and PwC (2014) reported that banks should be more simpler and clean on helping customers making their financial decisions. In the banking industry, it also needed to highlight a new trend that emerged after the 2008 financial crisis: the banking without bank. In some countries such as US and UK, leading retailers took up the challenge and have now been offering financial services for many years (Worthington *et al*, 2011). In summary, financial services are changing to a whole new concept where banking is no longer somewhere to go but something to do.

Another visible trend refers to the diversity and user-base expansion of PFM services, both in terms of channels and of specific features and approaches adopted. Initially they were basic level tools, then evolved to an analytical level, and currently being action-taking level tools (Mapa, 2014). Geographically, for a while, the PFM trend was restricted to the US. Then, some PFM vendors emerged in Europe and, in 2012, the first PFM open operations in Asia (Gartner, 2012). PFM is currently a focus of banking innovation with some launches of PFM tools to complement the online banking. Is interesting to notice that this trend on tracking personal finances are align with the boom recorded in other tracking tools, like the ones related to health, food and work-out.

In the technology field, it is crucial to underline the trend in smart machines, enhancing the benefits of using learning tech in the day to day systems. Smart machines are a rapidly emerging set of technologies that pose both great risk and reward to business (Gartner,

2014b). This technology opens new windows of opportunities through some appliance such as (i) Smart Advisor, a type of smart machines that deliver the best answers to users' questions based on their analysis of large bodies of ingested content and knowledge of the users' needs; (ii) Virtual Personal Assistant, that arguably integrates a broader range of information sources to personally advise with accuracy; (iii) Natural-Language Processing that offers a natural-language generator that can improve understanding and reduce the risks of cognitive biases in decision making (Gartner, 2014a). This technology will change the way of how we see informatics systems, by having a huge impact on every industry in the next few years.

The trends reported above simple align to the product that Novabase is creating, showing relevance of this product on the current market status, mainly in the near future.

1.3. Competitor Analysis

After knowing the customer and understanding the market environment, is the time to analyse the competition and define what the main strengths are. To have a better notion on how the competition is structured, they were placed in strategic groups according to how directly they compete in the market. It is known that to sustain long-term profitability it is necessary to respond strategically to potential competition and not just established rivals. By performing a Porter's five forces, the competitive landscape is scanning and it gives hints on how to face the forces of competitive position (Porter, 2008). Contrary to what normally is performed in competition analysis, on the case of app market, due to the novelty and the fast change on the application market, the PESTLE³ analysis is not relevant for the case because its implementation do not add value to the overall study.

³ PESTLE stands for Political, Economic, Sociological, Technological, Legal, and Environmental

Regarding the specific market in analysis, the competition is split in three main categories, according the different strategic position and the main feature of the apps: (i) simple PFM mobile app, (ii) third party aggregators and (iii) Bank PFM Solutions (see full description in Appendix 4). To complete the analysis, the Porter's five forces was made in order to better define the competitive landscape for industry market (Appendix 5). The analysis highlighted that the key risks are not in the current competition (reflected in the relatively low rivalry among existing competitors) but on the high bargaining power of suppliers and the thread of substitute products reflected in the ability to banks quickly serve their clients with PFM tools.

2. Product

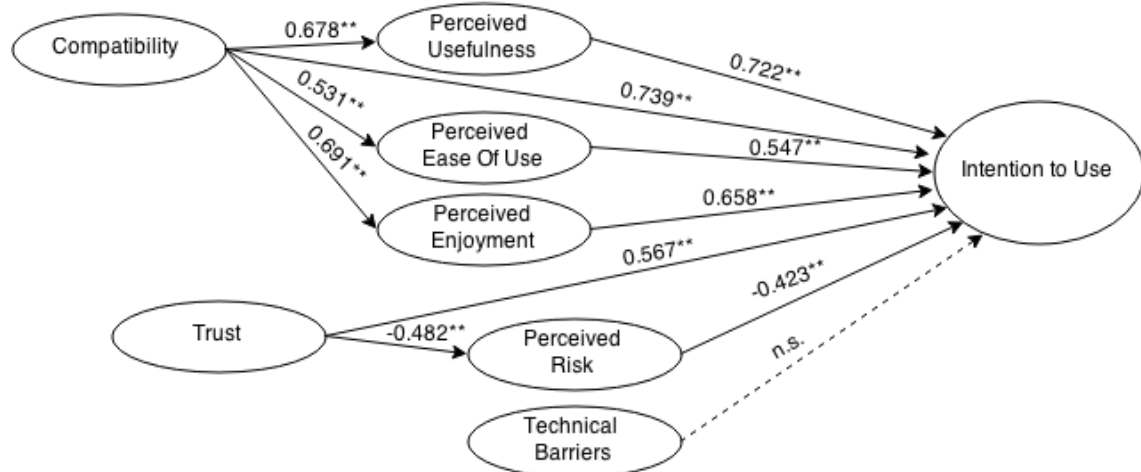
The previous analysis showed the existing need of this product, the historical trends and finally the competition landscape. Based on the existing necessity, the next topic will focus on the product that can fill the market gap. In this way, the analyse should covered (i) the drivers and inhibitors that will affect the usability of the product in the market, being useful to better define the product, (ii) product design giving insights on how the product fill the market needs, and (iii) monetization model to understand the viability of the product in the market. A full analysis in these topics will help define the competitive advantages of the app.

2.1. Drivers and inhibitors on the category

The analysis was made through the application of a usability model (explained in Appendix 1.3.1), using a survey conducted on the potential target. The model developed aims to prove the level of correlation between the variables and the intention of use. This

information is crucial for the creation and adaptation of the product, as well as to push it to the market by using an effective message.

The conducted survey' results (Appendix 1.3.2) follow almost entirely the findings in similar researches, showing that (i) perceived usefulness, (ii) perceived ease of use, (iii) perceived enjoyment, (iv) compatibility, and (v) trust are drivers of intention to use. In the opposite, perceived risk stands out as an inhibitor on the intention to use PFA solutions. With this survey, it was not proved that technical barriers have a significant direct correlation on intention to adopt PFA solutions (Figure 2).



Note: * $p \leq 0.005$; ** $p \leq 0.001$; dotted line denotes non-significant relationship

Figure 2: Standardised theoretical path coefficients

As a result, this study highlight that Novabase should focus more on showcase to consumers the usefulness, convenience, enjoyment and advantages of PFA solution than on directly influencing behavioural intentions. It is also important to reduce the perceived risk, ensuring a safety and trustable service.

2.2. Product Design

To succeed in product design, many disciplines need to be involved. Thus, a manager should not plan a product design without the technological viability and, the product design should result from a strong merge of market need and tech ability. In this process, to design

a user friendly system, some other areas of expertise can add value, such as psychology, graphic designer or product designer (Rogers *et al*, 2002).

The PFA keystone is the user experience provided, and *finzzy* is no exception. Taking this in account, the development of the product should focus on being user-friendly, useful and relevant. According to Forrester (2015), the best practices for this type of products are: (i) take a systematic approach and focus on understanding customers' needs, (ii) make it easy for customers to achieve their save goals, (iii) use marketing and education to drive customer adoption, and (iv) provide useful advice that is easy to use and fun.

finzzy aims to be a relevant advisor and, consequently, needs to developed with a customer centricity design. Reinforcing the usability and be every time near to user, *finzzy* is framed as a mobile app. A PFA needs to have fully access to personal finance information and, therefore, *finzzy* use open API technology (through a partner) to allow bank synchronization. The advisory power is not on being resourceful but on being smart; so *finzzy* differentiates itself by using a mix of smart technologies on areas such as natural-language processing, predictive and prescriptive algorithms, agile business intelligence, and machine learning. Safety is definitely an important issue on PFA solutions and *finzzy* is protected with certified safety systems. See more details on product architecture in Appendix 6. Regarding features, the main areas are (i) transactions, (ii) goals, (iii) analyze, (iv) planner, (v) accounts management, (vi) yoda, and (vii) u.ments grid (see full list of features on Appendix 7).

2.3. Monetization Model

The monetization model is the turning point from a great idea to a successful business. There are several monetization models: from the traditional (i) free, ad-supported; (ii) premium, pay per download; (iii) trial, upgrade to premium; and (iv) freemium, in-app

items; to more complex models as (v) paywalls, auto recurrent payment; (vi) sponsorship, incentivized ads; (vii) paymium, pay per download plus in-app purchase; or (viii) trial paymium, upgrade to paymium (Google 2012; Localytics, 2014).

Choosing the right model is a difficult task: a wrong choice can be the difference between financial success and a costly app (even if it succeeds on building a large user base). Therefore, a short analysis was performed to each of monetization models (see Appendix 8). Following a theoretical review and analysing the willingness to pay survey conducted (Appendix 1.4), the conclusion was that paywalls is the monetization model that best fits to the product characteristics and Novabase resources. Paywalls model gives to users the ability to run the basic version as free and requiring a monthly fee of £2.99 to give access to full service. See *finzzy* pricing package on Appendix 9.

2.4. Competitive advantage

Porter's generic strategies describe how a company pursues a competitive advantage for a product across its chosen market scope. There are three potentially successful generic strategic approaches to outperforming other firms in an industry: (i) overall cost leadership, (ii) product differentiation and (iii) focus on the niche market (Porter, 1998). To analyse the competitive advantage of a product is interesting to approach the value chain concept described by Porter (1985). Porter's value chain is described as a set of activities that a firm operate in order to deliver a valuable product. The concept of finding the key organization resource that drive the success, can be slightly adapted to analyse the key feature or particularity that positively differentiate the product in a way to be succeeded in the market. Having a more dynamic view, to leverage the strengths and opportunities and overcome the weaknesses and threats and ensure a valuable competitive advantage in a long term, it is recommended to run a TOWS matrix (Wehrich, 1982).

In the case of the type of product in analysis, it's clear that the strategy chosen is differentiation. By definition, differentiation requires a product that outperforms rival brands in the provision of a feature(s), such that it faces reduced sensitivity for other features (Sharp *et al*, 2001). The product real value is, indubitably, the mix of smart technologies that supports *finzzy* to offer a superior quality personal financial advisory. It is also important to foresee the strategies to leverage the current situation into a long term competitive advantage. Running a TOWS matrix (Appendix 10) it is clear that (i) the mix of smart technology used in *finzzy* keep up with market trends, leveraging the product in the market; (ii) the competition forces to need of highlight the differentiator in the message; (iii) the dependence on UK market should led to diversification by entry in other markets; and (iv) the challenge of building a brand can be overcome by buying an established competitor brand.

3. Objectives

The previous topics brought to this study a depth analysis on the current market situation and the product to be launch in the near future. Therefore, before strategize the launch strategy it is necessary to define the goals and objectives. The definition of goals and objectives create the basis on what strategy has to be achieved. The approach for defining the objectives focuses on two different levels: (i) broader goals as mission and vision for the product, and (ii) detailed objectives.

3.1. Mission & Vision

Mission and vision state the purpose of the product: the first states the reason why the product exists, including products' advantage to customers and stakeholders. It should also

demonstrate some Corporate Social Responsibility to build connection to community, while giving direction for the organization. On the other hand, vision statement is more product oriented, setting the major goals for a middle-long term⁴ success of the product in the market.

Applying to the case study, there is a strong correlation between the product and the company vision, which is: Make life simpler and happier for users, through *finzzy*. The vision intend to transmit the idea of *finzzy* becoming part of the customers day-to-day life, by playing a role in improving their financial healthy, changing the way people relate with their finances. The *finzzy* mission statement is: In two years' time, *finzzy* will reach the leading mobile app on the personal financial tools available in the market, recognized by its usability and quality. Novabase clearly pursue the ambition to be market leader in the industry in the near future by offering an outstanding service.

3.2. 5 Ss Objectives

To cover all the relevant areas of product management, considering the business side as opposite to the engineering side, the 5 Ss objective framework created by Paul Smith (2014) allow us to easily define the areas to focus on when it is needed to define the objectives. The 5 Ss stand for (i) Sells, reflecting the sales goals, (ii) Serve, approach the quality of product delivered, (iii) Save, addressing the financial side, (iv) Speak, setting objectives related to customer relation, and (v) Sizzle, linked to brand awareness. In the process of creation objectives, is important to ensure that each objective follow the SMART methodology, creating a Specific goal translated in a Measurable target that is realistic to be Attainable, Relevant for the matter and Timed, creating urgency on

⁴ App market is characterized by a fast changing market, whereby the notion of middle-long term should be reframed into a more limited timeline, such as 3 to 5 years.

accomplish in a certain time-bound (Doran, 1981). Finally, when it comes to customer related objectives, is important to use the RACE framework that stands for Reach, Act, Convert and Engage (Smart Insight, 2013), as a mind-set to cover all the customer life cycle from awareness to engagement with the product.

Applying the suggested framework to define the objectives for *finzzy*, the main objectives for each Ss were fully addressed in Appendix 11. In a summarized form, it is expected to have 108k of active users at the end of year one, with about £149k of revenue, being the product rating up to 4.5 and driving 20k of recommendations by users.

4. Strategy

To build a successful strategy is required the ability to see the big picture. In fact, the strategy is the smallest but the most difficult part of a plan. The strategy topic will give the response on how to exploit the market opportunity found in the Situation with the Product defined and achieving the Objectives planned. For create a crystal clear strategy, it is recommended to tackle a nine key components framework. Strategy will be structure at two different levels, first STOPPP to build a strategy for the business, and SITE, more connected to launch strategy (Smith, 2014). However, some of the key components can overlap the previews analysis, thus, the adoption of all the components should be analysed for each case.

It is also important to realize, that at this point is normal that some work has been already done in previous analysis. So the reason why some overlapping points are it kept in the framework is because when a strategy is build, is needed to be fully informed. Following

that, here, the recap of some information can be useful, but however, in some other cases, it may make sense to not use some of the elements presented in these frameworks.

4.1. STOPPP

On the top level of strategy, STOPPP, developed from the usual STP process (Lancaster *et al*, 1988), stands for Segmentation, Targeting, Objectives, Positioning, Processes and Partners. This methodology wants to deliver a good overview on how to select the market and allocate the resources to meet the market. Segmentation refers to the process of identifying bases for dividing the market into segments and determining important characteristics. Market Targeting is the evaluation of the potential and commercial attractiveness of the segments. Objectives will be a double check on what objectives the strategy should be committed to achieve. Product Positioning is related to how it wants to be positioned (or perceived) in the minds of the target, and by definition, the positioning is connected to the product's differentiator in the market. The launch of a new product will always introduce a new approach, system, or even, new ways of thinking. Whereby, Process plays a relevant role on the overall strategy. Partners can introduce, strengthen or reduce the overall strategy, on the edge, the success or failure can be the reflex of decisions related to partnerships.

Implementing the framework for *finzzy*, it is easy to detect that some of the elements were already covered in the previous topic. The relevant segments (College Students, SALA & DINKs, and DEWKs) as well as the main peculiarities of each one were developed in the customer insights (see topic 1.1.1.). In the same way, detailing the “why the targeting need” for this type of product and the evaluation of the commercial attractiveness for these solutions was also tackled in the customer insights (see topic 1.1.2.). The objectives were fully defined in a previous topic, highlighting to the strategy, the mission of making the

life simpler and happier for users at the same time as achieving 1.8k of paid users by the end of year one, recording about £47k of revenue (see topic 3.). Related to positioning, on Product Analysis was clearly defined that superior quality services must be provided as the main differentiator (see topic 2.4.). Regarding processes, the main challenge is dealing with B2C channel (since Novabase, at this time, just work in a B2B channel). Thus, processes related with (i) customer experience manager, (ii) social media management, and (iii) brand and communication on B2C channel need to be implemented. As was analysed in the product design, *finzzy* is strongly dependent on a third party for gathering bank information, so, this partner plays a major role in the product strategy. It is also important to stand out the interest in develop some partnerships with finance bloggers to deal with the social media' content creation to support the app.

4.2. SITE

On a lower level, to strategize how the company will behave in the market, the SITE framework aims to determine the Sequences of different stages in approach the market, highlighting the Integration of customer data, the high level Tactical tools or channels used, and the Engagement strategy on which sales boosts through first adopters.

The launch of *finzzy* will be taken in three distinctive phases: (i) concept, defined as the stage which takes place until an alpha version is distributed, and the stage' goal is to build a product, and to create buzz about the product; (ii) alpha version, representing the period with product available for a selected group of people for testing purposes: the goals at this stage are to fix product flaws and create a waiting list of users; and (iii) product release is when *finzzy* is available in the market and this stage is characterized by the efforts in creating a large community and preparing further product' updates. Analysing the Integration strategy, it is relevant to refer two strategies on collecting data to boost the

launch by building a waiting list, which are (i) the survey developed for this study, and (ii) the *finzzy* website. On tactic tools, the launch strategy was planned across different stages (Sequences stages) and for that, the communication mix crosses its goals along the plan from building awareness to customer acquisition to customer retention. The different communication goals require to use different mix of communication that will be specifically build further on (see topic 5.2.). Regarding the Engagement strategy, in the beginning, the engagement it will be driven by content related with personal finances sharing in *finzzy*' networks, and at a later phase, the app by itself, by playing a useful role in user daily life, creating a strong ongoing engagement with active users.

5. Tactics

“Strategy without tactics is the slowest route to victory” – Sun Tzu. While strategy paints the bigger picture and ensures everything moves in the right direction, tactics are simply the details of strategy. A clear strategy definition makes tactical decisions much easier. This topic will cover the 8 P's of Marketing Mix and, by being focused on launching an app, it will be delivered a stronger analysis on the communication mix.

5.1. 8 P's of Marketing Mix

The marketing mix is simple by definition. It is a framework that aims to put the right product, at the right time, and at the right price. The challenge is to master every aspect of the business to build a strong marketing mix. Marketing mix is usually associated with the four P's (price, product, promotion, and place) presented by McCarthy and Jerome (1924). Getting to the service mix, the framework expanded to the seven P's (Booms *et al.*, 1981) by adding people, processes and physical evidence to address the different nature of

services. In digital markets, an eight P, Partners is often recommended to boost reach online (Chaffey *et al*, 2005).

The main highlights related to *finzzy* ' marketing mix (Appendix 12) are: (i) the promotional price campaign based on referrals released together with product release; (ii) the trademark *finzzy* with the reference to “*finzzy* makes your personal finances easy”; (iii) apple store and play store are the distributors channels for *finzzy*; and (iv) customer service, social media, branding and communication in B2C channel are the main skills required to prepare Novabase to successfully launch *finzzy*.

5.2. Communication Mix

Designing the right marketing mix involves the eight P's designed above. However, when building a launch strategy it is crucial to have an in-depth look on promotion. Also known as Tactical Tools, communication mix refers to specific methods used to promote the brand or its products to targeted customers. Traditionally, presented as a mix of four elements: Advertising, Publicity (or Public Relation), Direct Marketing (or sales force), and Sales Promotion (Mullin, 2010), it was added Sponsorship, Exhibitions, Direct Mail, Retail Store, Word of Mouth, and Packaging, to approach a complete scope (Smith, 2014). A new wave in communication include Social Media as a major tactic tool. For a better understanding the different tactic tools, see Appendix 13. Knowing how good each tactic is at moving customers through various stages of lifetime buying process (Appendix 14), it is important to select the right target, goals and message that fit best each tool to maximize communication outcome.

Based on the previews work on building a launch strategy for *finzzy*, it is possible to draw an efficient communication mix. It was followed the three sequences stages (concept, alpha version, and product realise) defined on the Strategy (see 4.2.) to better select the tactic

tools that match to different the communication goals. The main conclusions on the communication mix plan (Appendix 15) are (i) the concept phase is fully focused in creating awareness through public relations and presence in social media; (ii) the alpha version stage is focus in build a community by investing in paid ad, presence in exhibitions and using social media to start building relationship with users; (iii) first quarter after product release will be the focused in exponentially grow the user base, using a mix of communication focused in paid ad, store optimization, word of mouth and promotion; and (iv) following quarters in product release phase, the marketing focus start to be on building post-purchase relationship and leverage the word of mouth.

6. Actions

“Everything degenerates into work” -- Peter Drucker. Strategy summarises and gives direction. Tactics are the details of strategy and Action ensures that the tactics are executed to the highest possible standard. In the process of structuring the actions, is relevant to cover the following topics: systems, processes, guidelines, checklists, and internal marketing. This section is designed to ensure quality and guidance on execution, including (i) build the right systems and processes like content marketing production and database analysis; (ii) structure guidelines like media and brand guidelines; (iii) checklists that keeps some goals tracked like conversations or credibility; and (iv) motivation and training plans to ensure internal alignment and commitment to the strategy. Create mini action plans helps to keep everyone focused on doing a good job when executing each tactic, mainly if the tactic has its own detailed objectives, budget, responsibilities and estimated returns. In parallel, a Gantt chart should be made in the way to create a clear overview on the main actions and phases in the action plan.

To create the action plan for *finzzy*, at this stage, it were created main tools to deliver the overall launch plan. Mini plans for two key systems for *finzzy*' success were develop (i) to structure the referral campaign (Appendix 16.1), and (ii) to boost Facebook visibility and enlarge the waiting list for *finzzy* through a Facebook ad campaign (Appendix 16.2). On the tactics topic was described the potential on building partnership with bloggers for content creation. Following that, it was develop a content marketing creation guidelines (Appendix 17) to clarify these partnerships. Social media guidelines were structured (Appendix 18) to effectively approach to a major communication channel. Also connected with social media, a checklist was develop to ensure that LinkedIn in not overlooked (Appendix 19). To conclude, it was draw a Gantt chart that resume the main actions in the first months of *finzzy* (Appendix 20).

7. Control

Any plan needs to include control systems that let you know whether the planned objectives are on target and can be achieved. A large multi-year control plan can give to the board useful information about the success of the initiative and highlights improvement points. This control plan addresses (i) the objectives to measure, (ii) the product that is delivered to customers, (iii) the frequency of reporting, and (iv) the process of reporting and actions to work upon feedback.

Based on the PDCA methodology⁵, control has a huge impact on the long term success, ensuring a continuous improvement process. The controlling process is well defined by International Standard Organization (ISO, 2008) on its standards for product realization.

⁵ PDCA stands for plan–do–check–act. It is an iterative four-step management method used in business for the control and continuous improvement of processes and products.

This process is developed in three distinctive phases (review, verification, and validation) to ensure full control on the quality delivered. Review phase stands for the revision of the requirements established for the product, and the detection and fix of fails on meet the requirements. This phase ensures that the organization has the ability to deliver a quality product in accordance with the defined requirements. Records may be established to provide evidence of conformity to requirements. Verification works upon these evidences to check if the set of objectives defined have been achieved and defined the necessary actions to overcome any fails detected. In the Validation stage, the organization may confirm the processes related to product realization where outputs cannot be verified by subsequent monitoring or measurement and, as a consequence, deficiencies become apparent only after the product is in use or the service has been delivered.

Applying the ISO methodology in controlling, it is recommended (i) run the review-verification-validation process before implement the plan, to evaluate the capability to meet the requirements; (ii) control and monitoring the implementation of planned actions and tracking the objectives defined; and (iii) annually review the full SPOSTAC plan to ensure that the right market strategy is adopted. To conclude, the Control phase is not the end in a process but the layer that allow the manager to measure the level of success and act upon the Control output to ensure continuous improvement.

To adapt on *finzzy*' launch strategy, the main focus should be on (i) establish the responsible for the control processes, (ii) define the frequency of reporting, and (iii) set the process of reporting and actions. By developing the SPOSTAC for *finzzy*, it was defined the product requirements and set the objectives to be controlled.

iv. Conclusions

The importance of this study relies on the necessity to build a system that effectively and efficiently frames a business side of a launch strategy for an app on financial services solutions. Facing this challenge, it was analysed multiple frameworks and planning tools to build the most suitable one for the market's specifications and app provider's characteristics.

It was structured a SPOSTAC planning model. This stands for a framework that segment each field of information in distinctive pieces, to ensure a complete and efficient analysis. Thus, SPOSTAC planning model stands out as a complete framework to think, plan and prepare an app provider to launch its app.

Regarding the SPOSTAC architecture, it is framed in seven distinct phases: (i) Situation that is further divided in Customer Insight, Market Trends and Competitive Analysis and the goal is understanding the market and find market opportunities; (ii) Product with the goal of build and define a competitive product, it is segmented on drivers and inhibitors on use intention in the category, product design, monetization model and the emerged competitive advantage; (iii) Objectives, stating the Mission and Vision as well as developing KPIs following 5 Ss Objectives framework to define the product's objectives; (iv) Strategy, using STOPPP and SITE helping the manager in designing a suitable strategy; (v) Tactics that use 8 P's of Marketing Mix and Communication mix to breakdown the strategy in small pieces of strategy; (vi) Action to define the implementation in a lower level by structure mini action planes, guidelines, checklists, internal communication and Gantt charts; and (vii) Control that is divided into three phases (before implementation, during execution, and annual review) to ensure that the objectives

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Appendix 1 – Survey

Taking into consideration the specificity of the product and the market surrounding, it was decided to develop a survey run in Millennials UK residents, in a way to reinforce and complement the literature available. In this sense, the survey will help on the process of building a launch strategy, mainly giving insights on (i) customer needs and behaviours, (ii) product acceptance, and (iii) price sensitivity.

The survey structure follows the survey goals, having clearly three main topics: (i) product-market fit (understanding the market needs for personal financial assistance); (ii) usability model, using the Technology Acceptance Model (TAM) and the Innovation Diffusion Theory (IDT), to understand the main drivers and inhibitors for the product acceptance; and (iii) willingness to pay to understand the consumer intention to pay for this product.

The following part will explain the sampling and data collection that is shared by the three survey topics and, following that, describe the conceptual development of each topic, tracked by the results and the main conclusions.

Appendix 1.1 – Sampling and data collection

The survey was made available to the *finzzy* target (Millennials living in UK) in order to reinforce the conclusion, allowing no differences in culture, habits and behaviours.

It was collected data during April and May 2015, using an online survey questionnaire. For this study, the online questionnaire was created via jotform.com. This was operationalised through a modified snowball approach, exploring the network of researchers and their contacts. They were invited through a social network web site to take part in the research. Among the target population, there is evidence of widespread

membership of social network web sites, thereby limiting problems of response bias. Research carried out by Statista (2014) has shown that among UK Millennials, a vast majority (85%) are active users in social networks.

From the 59 complete responses, 54 were valid answers for the purpose, while the remaining were annulled as they represent people who do not match the target (UK Millennials). In order to assess the validity of the sample, the questionnaire sought demographic and behavioural information with regard to respondents' current use of mobile phones. Sample characteristics are summarised in Table 1.

Measure	Items	Frequency	Percentage
Gender	Male	25	46.3
	Female	29	53.7
Age	14-17	1	1.9
	18-24	35	64.8
	25-35	18	33.3
Education	Higher Education	20	37.0
	Bachelor	23	42.6
	Master	9	16.7
	MBA, PhD	2	3.7
Type of mobile phone	Smartphone (iOS)	24	44.4
	Smartphone (AndroidOS)	27	50.0
	Other	3	5.6

Table 1: Sample characteristics

Appendix 1.2 – Product-Market Fit

The first part of survey address the problem market fit issue. Problem market fit means being in a suitable market with a product that can satisfy that market. This concept rely on the idea: the best team with the best product will fail if the market is not there. Understanding the needs of the market is the keystone to be succeeded. (Cooper *et al*, 2010). Rely on that, the questions related to this topic will be focused on understanding

the specific pain points in personal financial management, how they evaluate its ability on manage their personal finances and how they currently manage these issues.

Appendix 1.2.1 – Conceptual Development

Linked to the Customer insight (topic 1.1.), these questions want to strengthen the knowledge on (i) “why” people need this product and (ii) “how” they buy and use products in this category. Being more specific; on the “why”, 1-7 scale questions were made to evaluate how they evaluate its ability on manage their personal finances and what are the main pain points in this issue. On the “how”, it is asked (with close options) if they currently use similar products and how they found a personal financial management solution. Table 1 below shows the questions asked in the survey.

Variable	Measurement items
Why	<p>A.1. How do you evaluate your ability to manage your personal finances?</p> <p>A.2. In your daily life, how difficult is it to manage the following issues?</p> <ul style="list-style-type: none"> ✓ A.2.1. Draw a realistic budget; ✓ A.2.2. Stick to a budget planned; ✓ A.2.3. Paying a bill on time; ✓ A.2.4. Having an emergency fund; ✓ A.2.5. Planning and saving for the very near future; ✓ A.2.6. Look to the latest bank transactions; ✓ A.2.7. Knowing the consolidated balance across bank accounts; ✓ A.2.8 Manage the home expenditures <p>A.3. Qualify the impact of the following items if they go over budget:</p> <ul style="list-style-type: none"> ✓ A.3.1. Entertainment & Night out; ✓ A.3.2. Restaurants; ✓ A.3.3. Transportation & Gas; ✓ A.3.4. Clothes.

How	B.1. How do you manage your finances today?
	B.2. Are you actively looking for a product to help you to better manage your money?
	B.3. How did you (or, how would you) find a financial management solution?

Table 2: Product-Market Fit questions

Appendix 1.2.2 – Results

As it is mentioned above, this survey part is divided in two different goals, evaluating two different categories of questions (why and how).

For the Why variable, the collected results are summarized in Table 2.

Question	Number of responses by option							\bar{x}
	1	2	3	4	5	6	7	
A.1.	0	1	6	9	17	16	5	5,04
A.2.								
A.2.1.	9	9	7	10	14	3	2	3,52
A.2.3.	3	6	12	9	14	8	2	4,06
A.2.4.	22	15	7	6	3	0	1	2,20
A.2.5.	6	7	11	8	8	7	7	4,00
A.2.6.	22	12	8	4	3	4	1	2,44
A.2.7.	19	9	6	7	6	5	2	2,91
A.2.8.	8	11	15	10	6	2	2	3,17
A.3.								
A.3.1.	7	6	9	6	10	6	10	4,18
A.3.2.	5	5	8	17	11	3	5	3,91
A.3.3.	15	9	6	9	8	2	5	3,22
A.3.4.	8	9	13	7	13	2	2	3,41

Table 3: Resume of results for why questions

For the How variable, was asked closed-ended questions, and the observed results are:

About how Millennials manage their finances, 33 respondents (61.1% of respondents) state that they manage it without using any tool; 15 (27.8%) states pen and pencil; 13 (24.1%) claims that are currently using mobile applications; 11 (20.4%) state that they use excel spreadsheet to manage their personal finances; and 7 (13.0%) claim that they pay little attention about managing their finances. It is important to highlight that 40.7% of respondents use more than one tool to manage their personal finances.

- ✓ Regarding respondent's interest for new ways to better manage their money, 31.5% of respondents (17) state that are actively looking for products to help them in this issue.
- ✓ Concerning how they find and to whom they ask for help to find a new financial management solution, individual search lead with search on web (38.9%) and app stores (37.0%) as the most referred option; followed by friends (33.3%) and family (16.7%) references as the second source of information on finding new solutions; media and social media with media (14.5%), app reviewers (13.0%) and bloggers (5.6%) take the third position; and paid ad takes last position (3.7%).

Appendix 1.2.3 – Discussion and conclusions

Regarding the self-evaluation on how good is respondent's ability to manage his/her personal finances, more than 70% positively evaluate him/her capacity to manage their finances. However, just 9.3% (5 respondents) claim that have fully capacity to manager their personal finances.

On the pain point's detection, having an emergency fund recorded the higher ranks, having 13.0% of respondents (vs. 3.7% in other options) saying that create an emergency fund

as hard, followed by stick to budget planned and draw a realistic budget with 44.4% and 35.1% of respondents said that is difficult to hard (rank 5-7) to manage this issues. From this data it is possible to conclude that, for Millennials, the most difficult issues about managing their money is about budgeting, tracking and saving for emergency (and these should be the key features and the key drivers on communication). On the other hand, paying a bill on time and look to the latest bank transactions is perceived as the easiest task to do currently, and by that, should not be relevant to highlight on the communication message. Entertainment & Night out and Restaurants are the main categories of spending when it is looking to over budget reasons. The solution should find ways to help clients to control his/her budget, mainly by paying attention to this categories.

According the data collected, Millennials is not too focused on managing their financials since 38.9% affirm not having a tool for tracking their finances and 13.0% even claim to pay little attention to their finances. It is important to highlight that about 1 in 4 respondents already use a mobile app to manage their personal finances.

The survey conclude that Millennials are quite independents on finding a new solution to help on managing personal finances, since 64.8% of users claims to use search engine an app store and just 37.0% say that ask to friends and family for references. Only 3.70% of respondents assume click in paid ads as the way to find new solutions.

To conclude this analysis, is important to highlight a high margin of respondents (31.5%) claim being actively looking for financial management solutions, a way of concern into the market.

Appendix 1.3 – Usability Model

Information technology offers the potential to improve the performance substantially. But performance gains are often obstructed by users' unwillingness to accept and use available systems (Bowen, 1986). Due to the persistence and importance of this problem, explaining user acceptance has been a long-standing issue. Although numerous individual, organizational, and technological variables have been investigated, research has been constrained by the shortage of high-quality measures for key determinants of user acceptance (Davis, 1989).

In this topic, the model developed aims to prove the correlation on the variables to the intention of use and the intensity of this correlation. This information is crucial to create and adapt the product, as well as to push the product to the market through the most effective message.

Appendix 1.3.1 – Conceptual Development

To understand the impact of a new app, it is important to consider the usability and acceptance of financial management advisor apps by end-users. It is important to consider that some users will embrace these apps while others might not enjoy it (Okumus *et al*, 2014).

As a result, the current study develop an acceptance model for PFA mobile app solutions. The basis of the proposed model leans on TAM and the IDT. According to TAM, behavioural intention is influenced by a user's attitudes towards a product which in turn is affected by the perceived usefulness (PU) of the product and its perceived ease of use (PEOU). People tend to use an application to the extent that they believe it will help them to perform their job better. Reflecting this, emerge the first variable, the PU, whereas PEOU refers to the extent to which the use of the application is free of effort (Davis,

1989). Research has suggested that usefulness and ease of use are significant factors for the acceptance of mobile services (Koenig-Lewis *et al.*, 2010; Luarn *et al.*, 2005).

To overcome the critics on TAM, about the deterministic approach on the decision to adopt or reject a novel technology and stress, the research has suggested that TAM typically justify about forty per cent of the variance in usage intention (Venkatesh *et al.*, 2000), the IDT model will refer that the adoption of an innovation is not typically straightforward process. Relative advantage, observability, trialability, compatibility, and complexity are the best variables in measure the intention of use (Koenig-Lewis *et al.*, 2010). However, studies shown that only relative advantage, complexity, and compatibility have a significant effect on the adoption rate of innovatory products (Lee *et al.*, 2003). TAM and IDT complement each other: (i) relative advantage is very closely related to PU, and (ii) complexity refers to PEOU (Koenig-Lewis *et al.*, 2010). Compatibility is a crucial variable to rate the usability of an innovation, that can be defined as the extent to which a new service is consistent with users' existing values, beliefs and habits (Chemingui *et al.*, 2013). Researches has shown that compatibly is also (i) lead to higher PEOU as less effort is required to understand how it use, and (ii) boost PU since a more innovative, and thus more experienced in use of mobile applications, will understand faster the usefulness of a new product (Lin, 2011). The first set of hypothesis seeks to validate, constructs previously used in the TAM and IDT:

H1. Perceived usefulness has a positive impact on the intention to use PFA app

H2. Perceived ease of use has a positive impact on the intention to use PFA app

H3 . Compatibility will lead to higher behavioural intention to use PFA app

H3.1. Compatibility positively affects perceived usefulness

H3.2. Compatibility positively affects perceived ease of use

This survey seeks to build on a mix of TAM and IDT, adding some variables that have frequently been cited in the consumer behaviour literature. The concepts of perceived risk and trust are common barriers in the consumer' path to purchase (Koenig-Lewis *et al.*, 2010). The decision to use an innovative product can involve a higher level of perceived risk mainly related to security issues and user data privacy, creating a barrier to the product' adoption (Gerrard *et al.*, 2006). Rammile and Nel research (2012) notice the negative impact of perceived risk on intention to use mobile banking. Trust is related to perceived risk because the need for trust only arises in a risk situation. Chemingui and Iallouna (2013) indicate that trust in web and mobile affects positively the intention to use it. Indeed, trusting beliefs assure the user that the vendor is both able (reducing the perceived risk) and willing (driving the intention of use) to deliver the service. Another variable to take into account is about technical barriers. Researches highlights that (perceived) technical barriers have negative reflection on intention of use, by the incapability (real or potential) of using the smartphone apps without trouble (Verkasalo *et al.*, 2010). Perceived enjoyment has recently include as hedonic motivation that drive intention to use new technology (Okumus *et al.*, 2014). Perceived enjoyment is defined as the extent to which the activity of using a specific system is perceived to be enjoyable in its own right, aside from any performance consequences resulting from system use. Sun and Zhang (2006) found that (i) the acceptance of technologies by consumers is facilitated by the enjoyment, and (ii) the perceived enjoyment is led by the new app' consistency with users' existing values, beliefs and habits (Compatibility variable). The research seeks to add the variables of perceived risk, trust, technical barrier and perceived enjoyment to a predictive model through the following hypotheses:

H4. Perceived risk has a negative impact on the intention to use PFA app

H5. Trust has a positive impact on the intention to use PFA app

H5.1. Trust has a negative impact on the perceived risk

H6. Technical barriers has a negative impact on the intention to use PFA app

H7. Perceived enjoyment has a positive impact on the intention to use PFA app

H3.3. Compatibility has a positive impact on the perceived enjoyment

Identifying the potential constructs and relationships among them, the Figure 4 describes visually the conceptual model for the intention to use.

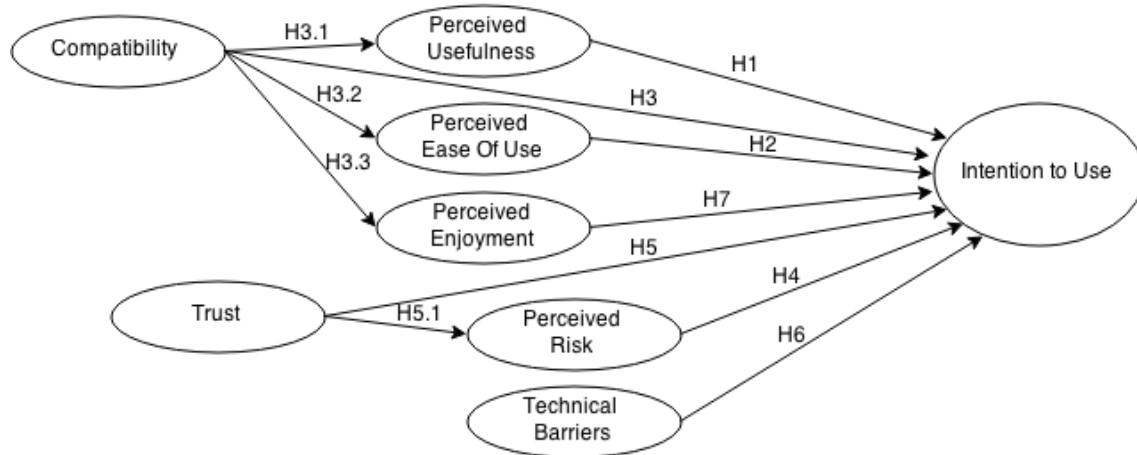


Figure 4: Proposal usability model

Next, it will be presented the measurable items that were identified from previous studies.

Table 4 shows the constructs and their measurement items.

Variable	Measurement items	Adopted from
Perceived usefulness	How important would this financial management solution be for you to better manage your finances?	Davis <i>et al</i> , 1989
	An app like this would make the task of managing my money easier	Luarn <i>et al</i> , 2005

Perceived ease of use	A mobile app is the easiest tool to manage my personal finances	Luarn <i>et al</i> , 2005
Perceived enjoyment	Using an app will make the task of managing my finances more pleasant	Verkasalo <i>et al</i> , 2010
Compatibility	This app matches the way I like to manage my finances	Lin, 2011
Technical Barriers	Difficult configuration has a negative impact on my usage	Verkasalo <i>et al</i> , 2010
Perceived Risk	I do not feel secure in providing personal information through one app	Rammile <i>a et al</i> , 2012
	I do not feel secure giving access to my bank account through an app	Rammile <i>et al</i> , 2012
Trust	I would trust the app manufacture to offer a secure system	Chemingui <i>et al</i> , 2013
Intent to use	How likely are you to test an app like this that meets your needs?	Lin, 2011

Table 4: Measurable items for usability model

Appendix 1.3.2 – Results

The results' description starts with exploratory descriptive statistics, regarding to the intention to use a product in the PFA category. A unidirectional ANOVA test was used to access that males and females have different levels of intention to use. It was revealed that a significant difference exists between male and female as their intention to use (means of 4.64 to 4.66; $F=0.70$; $p>0.05$). On the opposite, when analysed the differences among levels of education, it is recorded a significant difference ($p=0.01$), suggesting that for different level of education, the adoption of PFA solutions is significantly different.

The proposed model explain 68.4 per cent of the variance in intention to adopt a PFA solution that is higher than the value of 40 per cent in typical TAM studies (Venkatesh *et al*, 2000).

Variable	<i>B</i>	<i>p-value</i>	Conclusion
H1: Perceived Usefulness → Intention to Use	0.722	0.000	Accepted
H2: Perceived Ease of Use → Intention to Use	0.547	0.000	Accepted
H3: Compatibility → Intention to Use	0.739	0.000	Accepted
H3.1: Compatibility → Perceived Usefulness	0.678	0.000	Accepted
H3.2: Compatibility → Perceived Ease of Use	0.531	0.000	Accepted
H3.3: Compatibility → Perceived Enjoyment	0.691	0.000	Accepted
H4: Perceived Risk → Intention to Use	-0.423	0.001	Accepted
H5: Trust → Intention to Use	0.569	0.000	Accepted
H5.1: Trust → Perceived Risk	-0.482	0.000	Accepted
H6: Technical Barrier → Intention to Use	-0.084	0.544	Rejected
H7: Perceived Enjoyment → Intention to Use	0.658	0.000	Accepted

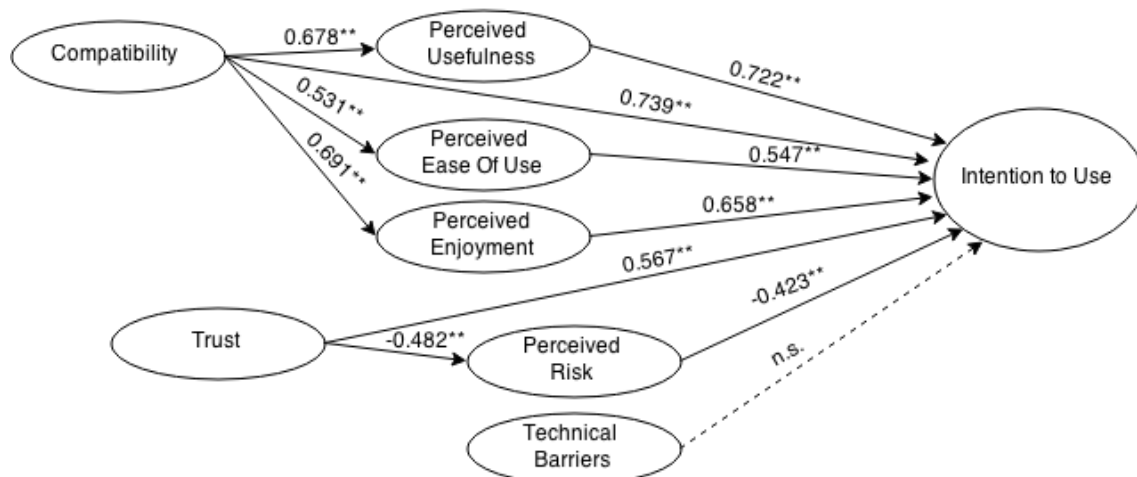
Table 5: Results of hypothesis testing

From the Table 5, it can be conclude that compatibility had a strong and significant effect on intention to adopt the application ($\beta=0.739$, $p\leq0.001$). Other significant drivers for the intention to use a PFA solution are perceived usefulness ($\beta=0.722$, $p\leq0.001$), perceived enjoyment ($\beta=0.658$, $p\leq0.001$), trust ($\beta=0.569$, $p\leq0.001$), and perceived ease of use ($\beta=0.547$, $p\leq0.001$). As inhibitor to the likelihood of use a PFA solution, perceived risk had a significant effect ($\beta= -0.423$, $p\leq0.001$). These results are in line with previous research referred on conceptual development.

Compatibility and perceived usefulness exercise a direct positive effect on behavioural intention. There is also a strong relationship between compatibility and perceived usefulness ($\beta=0.678$, $p\leq0.001$). Furthermore, compatibility positively influences

perceived ease of use ($\beta=0.531, p\leq0.001$) and perceived enjoyment ($\beta=0.691, p\leq0.001$). Therefore, people who assess PFA as fitting in with their lifestyle and find it a suitable solution are also likely to find it as a useful service, with is easy to use and an enjoyable service. Trust has a significant effect on perceived risk ($\beta= -0.482, p\leq0.001$). This means that people who demonstrate trust on the app manufacture identify less overall risk in using the solution.

This paper could not prove that technical barriers have a significant direct effect on respondents' intention to adopt PFA solutions. By the fact that this survey have been done to Millennials, this result can be partly connected to the depth adoption from the respondents.



Note: * $p\leq0.005$; ** $p\leq0.001$; dotted line denotes non-significant relationship

Figure 5: Standardised theoretical path coefficients

Appendix 1.3.2 – Discussion and conclusions

The results of this study gave insights for researchers and practitioners. For researchers, this study provides a basis for further refinement of models of consumer adoption in similar products. Understanding the key drivers and inhibitors addressed in the proposed research model would better prepare practitioners to design and implement PFA mobile app solutions that yield high consumer acceptance.

In terms of academic theory development, the proposed model explained 68.4 per cent of the variance in intention to adopt PFA solutions, which is higher than 40 per cent, usually found in typical TAM studies (Venkatesh *et al*, 2000).

This study has given new insights to managers who are responsible for design and develop a PFA solution. In terms of behavioural and demographic data, the study has identified that genre have no significant influence on the intention to adopt a FPA mobile app. App providers should focus themselves more on managing belief formation of consumers than on directly influencing behavioural intentions. Then, these efforts on internal psychological processes may result in the intended behaviour. They must educate consumers about the usefulness, convenience, enjoyment and advantages of personal financial advisor solution. Significant effects of compatibility on perceived usefulness, perceived ease of use and perceived enjoyment have been observed. The fact that compatibility had significant direct and indirect effect on intention to adopt the PFA solution leads to the need to design a service that it is compatible with UK Millennials' life-style.

App providers may seek to reduce the perceived risk, since this variable emerged as having a significant negative effect on intention to adopt. For example, by offering specific service guarantees the app provider protects users from harmful consequences of service failure.

This research has a significant limitations shared by many studies of consumer adoption by only measuring behavioural intention, rather than actual behaviour.

Appendix 1.4 – Willingness to pay test

As was mentioned in the monetization model topic (2.3.), the way how an app makes money plays a major role in success or fail. The law of demand says that as prices go up, demand will come down and client loss with increasing prices is inevitable. Willingness to pay surveys allows managers to simulate price-related changes in demand without actually changing prices (or even before release the product in the market), giving them a way to make pricing decisions based on empirical information (Foreit *et al*, 2004).

Appendix 1.4.1 – Conceptual Development

Researchers established best practice rules in order to overcome the major sources of bias associated with willingness to pay surveys. According to them, these surveys should (i) rely on personal surveys; (ii) use close-ended questions that specify different price levels; (iii) select a small number of different price packaging products or services; and (iv) ask respondents about factors that might influence their preference (Foreit *et al*, 2004).

Following these guidelines, three close-ended questions was added to the delivered survey (see Table 6 below).

Measurement items	Response options
Do you expect a free version	Yes; No
A fair price for an app that meets my financial management needs is:	9.99£/mo; 5.99£/mo; 2.99£/mo; 0.99£/mo; It should be free
Would you pay more for premium features?	Synchronizing multiple bank accounts; Cloud backup; Natural-language search engine; Timeline with predicted transaction in near future

Table 6: Willingness to pay questions

Appendix 1.4.2 – Results

From the 54 valid responses, the results observed were: (i) the majority of respondents (85%) expects a free version of *finzzy*; (ii) 25 respondents (46%) would not pay for premium features, 31% are willing to pay £0.99 per month, 20% for £2.99 monthly subscription, 2% for £5.99/mo, and 0% for £9.99/mo; (iii) the ability to synchronizing multiple bank accounts was the premium features more referred (27), followed by timeline with predicted transaction in near future with 26 references, cloud backup recorded 16, and 12 respondents refer natural-language search engine.

Appendix 1.4.3 – Discussion and conclusions

The results recorded highlight that *finzzy* may not be a paid add since a large majority will expect a free version (85%). Regarding the price strategy, 53% of respondents affirm being willing to pay by premium features, 22% accept a £2.99 monthly subscription. About the premium package, synchronizing multiple bank accounts and timeline with predicted transaction in near future should be features to be offer to *finzzy* paid users since these features were by far the features that respondents are more willing to pay for.

Appendix 2 – Profile Analysis

Appendix 2.1 – College Student

College students normally facing for the first time the challenge of living without their parents and having to be fully responsible to manage a budget. Usually, they have a short-term saving profile (to goals such as holidays, studies or events). They are targets of marketing efforts for travels, new gadgets, language courses and study abroad programs. See Appendix 2.1 – College Student for persona statement.

Appendix 2.2 – SALA and DINK's

DINKs and SALA holds similar needs, goals and motivations, being two typologies merged as one. SALA represents a young, ambitious and well-educated city-dweller who has a professional career and an affluent lifestyle. DINKs describes a high-earning couple who do not have children and, therefore, are able to afford a more expensive lifestyle. Analysing their available income, SALA and DINKs have similar consumer behaviours and demand for financial services. Usually they are targets of marketing efforts for expensive items such as luxuries, cars and vacations. See Appendix 2.2 – SALA and DINK's for persona statement.

Appendix 2.3 – DEWK's

DEWKs refers to a household that has two income earners and at least one child. These life-stage demands specific goals and different availability incomes. Due to this fact, DEWKs report distinct needs on financial advisory. In general, they are targets for products that are geared towards children, including toys and games. See Appendix 2.3 – DEWK's for persona statement.

Appendix 3 – Personas Statement

Appendix 3.1 – College Student

Stephen is a 19 year old born and raised in Birmingham, recently moved to London to take Medicine in the most prestigious university across UK. Being for the first time living alone, she faces a new challenge on managing the parental monthly allowance. For next summer she wants to visit Beijing and need to save from her pocket money for this travel. She needs a good way to track every expenditure and a help in saving the full amount needed for going to Beijing.

Appendix 3.2 – SALA and DINK's

Walter is a 24 year old living in Liverpool and after taking a master degree in Computer Science he joint an IT consultant. Being a young professional, his savings are low but his salary is relatively high, easily cover the normal expenditure. Passionate about cinema and travel, he wants to spend next vacancies on Los Angeles and Mumbai, living the Hollywood and Bollywood spirit. At the same time, he needs to buy a car for the daily commuting. He needs a tool that successful help to manage his budget allowing him to meet with his goals.

Appendix 3.3 – DEWK's

Jack (28) and Sarah (26) recently became parents. Peter, their son, brought to the family new challenges and they are thinking on moving to a bigger apartment in a quitter zone of Manchester. Since the money does not stretch, they need to track the raise on expenses regarding the son and control every bill to be able to move to another apartment as soon as possible.

Appendix 4 – Type of competitors

Appendix 4.1 – Simple PFM

Simple PFM mobile apps are the oldest competitor in the market, giving to its users the ability to budget, set goals and track their expenses on the road. The main weakness of the product is the incapability to know the bank transactions by itself, demanding a huge effort for the user to manually add any transaction. The monetization model of this class of competitors is normally based in one of three models: free app with ads, freemium with free to basic version and pay to full version, and paywalls with free access to basic version and for the full version, a periodic fee is required.

Appendix 4.2 – Third party aggregators

Third party aggregators are the closest competitors in the market since the main features are synchronized with the bank accounts and automatic transaction' categorization. These features were added to the ones available in the simple PFM apps, giving to its users the ability to manage their finances with less effort. The usual business model set by this class of competitors is a full-free app and the revenue is given by the referral fee charged to the financial services institutions. These apps are recommended as a financial solution that best fits the users' needs.

Appendix 4.3 – Bank PFM solutions

Banking is changing. To keep its clients engage, banks are investing on developing new channels (in web and mobile) to improve the client experience. Some banks already offer to clients PFM tools, improving their financial management capabilities. For its large customer base, banks can easily change the competitive landscape.

Appendix 5 – Porter's 5 forces

This appendix aims to applying the Porter's 5 forces to the PFA market where *finnzy* will operate.

The PFA solution is too dependent of gathering banking information, being strongly dependent of a supplier (or partner) in this field. Currently, there are few players in the market of gathering bank information, resulting in high market concentration that leads to lowers levels of competition among industry. In the opposite, a low concentration in IT providers makes the developing costs competitive. The result leads to a high bargaining power of suppliers in PFA market.

Regarding the bargaining power of customers, the large number of customers (dispersion) and high switching costs (due to the data accumulation) result in an expected low bargaining power of customer. However, in this market, the buyer price sensibility is high, leading to low expected profits. In conclusion, the bargaining power of customers is low to moderate.

High level of threat of new entrants is expected due to (i) low entry costs because the app market is a low capital intensity, and (ii) low barriers to entry, considering that everyone can make its mobile available in the app stores for the customers. Economies of scale act in the opposite way, minimizing the risk associated to new entrants once PFA solutions are data-intense systems and a current user already benefits from the accumulated data stored, creating resistance to change to different product. These forces combined lead to a middle level of threat of new entrants.

On the threat of substitute products, it is important to highlight the trend on fintech leading to large investments to search and development similar solutions. Other relevant threat is

related to the ability of banks to provide PFA solutions for its client base, affecting this market. This forces leads to a strong threat of substitute products.

Analysing the current rivalry among competitors, it is needed to highlight that currently the market have few PFA mobile apps, and the app providers are small in terms of human resources and capital that can translate on low innovation capacity. The high product differentiation leads to different market approach and less direct competition. These competition forces results in a current low level of rivalry among competitors.

On figure 6 below, it can be see the summary of the preview analysis.

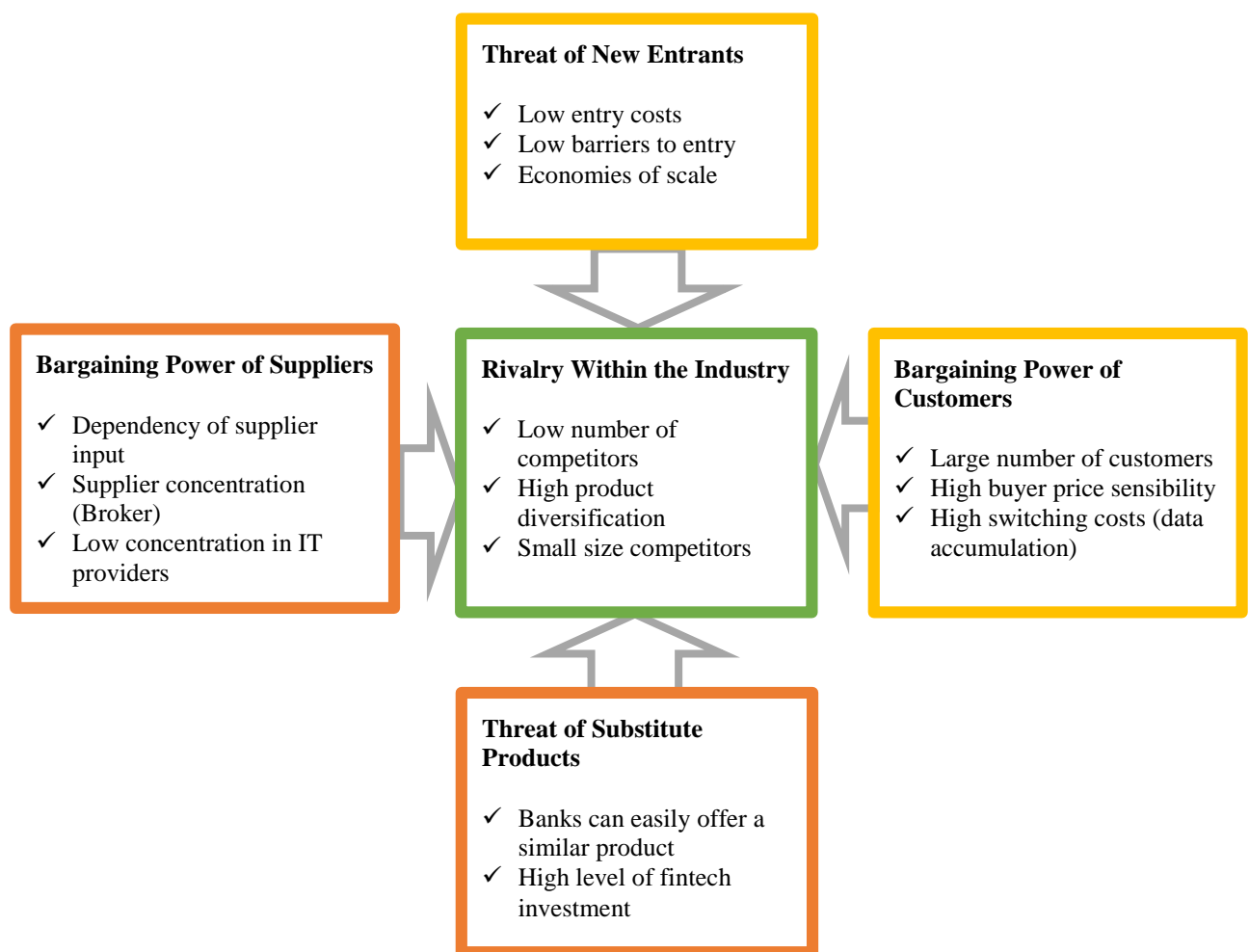


Figure 6: *finzzy*' Porter's 5 forces

Appendix 6 – Product Architecture

To be a relevant advisor, this app needs to focus its efforts in delivering a great user experience. In order to pursue this, the service needs to be delivered in a way that fits the user mobility. At the same level, the smart adviser needs to have full access to users' financial information, which requires a bank synchronization (an open API, provided by a partner, will be used for this matter). But the real uniqueness of this product is its smart technology. Using a mix of technologies that covers smart technology areas such as natural-language processing, predictive and prescriptive algorithms, agile business intelligence, and machine learning, *finzzy* is capable to give to users a relevant advice. Crossing every particularity of this ecosystem, a layer of certified safety systems will be given to the users, as well as a full experience in a safety environment, reducing the user's concerns on access to personal financial information in a smartphone. The product architecture's representation is provided in Figure 7.

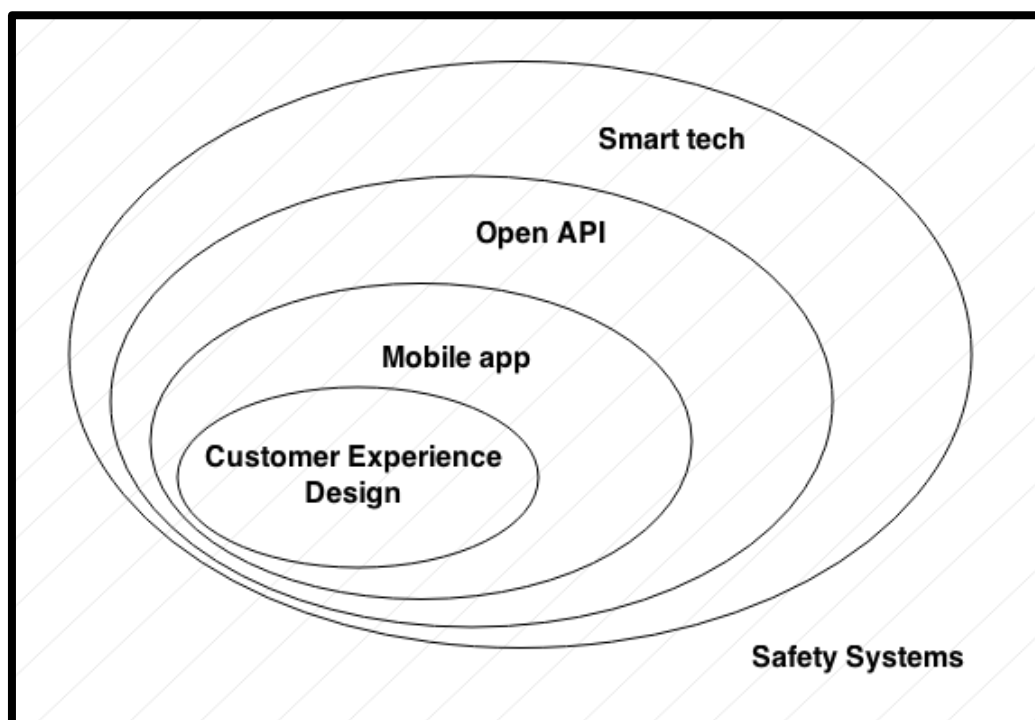


Figure 7: *finzzy*' product architecture

Appendix 7 – Product Features

The product features are structurally divided in eight categories by its similarity, in this appendix it will be presented the full list of features.

Transactions	<ul style="list-style-type: none">✓ List of past transactions (timeline)✓ Load future transactions (predictive)✓ Edit transaction<ul style="list-style-type: none">○ Change description○ Change category○ Change image○ Add attachment✓ Split transaction into several<ul style="list-style-type: none">○ Insert new sub transaction○ Add image
Goals	<ul style="list-style-type: none">✓ Create goal✓ Edit goal✓ Pause goal✓ Power boost (one time contribution)✓ Delete goal✓ Accomplished goal list✓ Ongoing goals list✓ Suggested/popular goal list
Analyze	<ul style="list-style-type: none">✓ Compare category spending between months✓ 3 indicators for main categories<ul style="list-style-type: none">○ % to total spend○ Last 6 months trend○ Benchmark with others
Planner	<ul style="list-style-type: none">✓ Define budget by category✓ Edit budget✓ Add category
Accounts management	<ul style="list-style-type: none">✓ Add/remove accounts, cards, other investments
Yoda	<ul style="list-style-type: none">✓ Dialogue<ul style="list-style-type: none">○ Suggested 3 questions○ Nature language search

	<ul style="list-style-type: none"> ✓ Activity log <ul style="list-style-type: none"> ○ Latest searches ○ Latest activities ✓ Transactional Commands <ul style="list-style-type: none"> ○ Transfer ○ Payment ○ NIB/IBAN (check) ○ Stocks (check)
U.ments grid	<ul style="list-style-type: none"> ✓ Top u.ment <ul style="list-style-type: none"> ○ Expense prediction ○ Wealth prediction ✓ Other types of u.ments <ul style="list-style-type: none"> ○ Account balance ○ Goal status ○ Bill due ○ Investment update ○ Transaction alert ○ Over budget alert ✓ Zoom u.ment
General	<ul style="list-style-type: none"> ✓ Night mode ✓ Personality quiz ✓ User selfie ✓ Login/Authentication ✓ Menu and hints

Table 7: Full list of features

Appendix 8 – Different Monetization Models

Model	Main source of revenue	Short Description	Strength	Weakness
Free	Ad-supported	In this model, it is removed the cost-barrier of purchasing, allowing free downloads. The goal is to accumulate a sizeable user base and gather user' information. Then, this data gets sorted and sold to app publishers who pay to place targeted in-app ads.	<ul style="list-style-type: none"> - Mobile apps are in a prime position to collect users' data - Allows to expand user base quickly - Effective if moderate and targeted advertising is used 	<ul style="list-style-type: none"> - Users get annoyed of ads - Mobile ads can compromise your app experience - This model won't work for niche or utility apps that are designed to help users perform important functions
Premium	Pay per download	The paid app business model is like a "pay then play" strategy that is propped up by your mobile marketing team's ability to convince users to buy your app instead of free substitutes.	<ul style="list-style-type: none"> - Revenue upfront with every new download - Paid users are more likely to turn into engaged users - No in-app ad allow a cleaner interface 	<ul style="list-style-type: none"> - Selling an app is hard - App stores take a cut of the revenue from paid apps - Paid models are a shrinking part of app store revenue - One shot purchase
Trial	Upgrade to premium	As the name indicates, this model is based in giving to users a free limited experience, requiring an upgrade to premium in a defined time-frame.	<ul style="list-style-type: none"> - Easier to build up a large user base - People who "try before buy" are more likely to become engaged and loyal 	<ul style="list-style-type: none"> - Low conversion rate - Users get used as free and, further, it is required to pay to use - Maximum, one shot purchase
Freemium	In-app items	The in-app purchases model is about turning your app into another sales channel (for physical products) or a mobile storefront (for virtual goods which can only be used inside the app).	<ul style="list-style-type: none"> - Good model for mCommerce - Buying virtual goods can lead to deeper engagement - Flexible model which can be adapted to affiliate programs and partnerships 	<ul style="list-style-type: none"> - App stores usually take a cut of the revenue for virtual goods - This model has received bad publicity because can stimulate children to making consecutive in-app purchases - Volatility on income

Paywalls	Auto recurrent payment	The paywall app business model is similar to the trial model. Paywalls allow an app user to use a simple version for free and then prompts them to sign up for a paid subscription to get more. This model is best suited for service focused apps and allows brands to earn revenue on a recurring basis.	<ul style="list-style-type: none"> - Easier to build up a large user base - People who “try before they buy” are more likely to become engaged and loyal - Stable and continuous flow of revenue 	<ul style="list-style-type: none"> - Strong dependence on conversion to get income - It may be hard to determine where and when to place a paywall - Difficult balance between free and premium features
Sponsorship	Incentivized ads	Sponsorship entails partnering with advertisers, who provide your users with access to products or services that users need. The app earns money by taking a referral fee. This way, ad can be incorporate and actually enhances app’s ability to engage users.	<ul style="list-style-type: none"> - Ad will likely be better received by users since it is relevant to an app’s purpose - Advertisers get more ad space, and users benefit from useful ad 	<ul style="list-style-type: none"> - Difficult analysis on what and when user needs a type of ad - Full dependency on ad partnerships for useful and adequate ads
Paymium	Pay per download plus in-app purchase	A merge on Premium and Freemium model, the user pay for download the app and the app offer in-app purchases for virtual or physical products.	<ul style="list-style-type: none"> - Revenue upfront - Paid users are more likely to turn into engaged users - Buying virtual goods can lead to deeper engagement - Multiple source of income 	<ul style="list-style-type: none"> - Selling an app is hard - App stores take a cut of the revenue from paid apps - Freemium has received bad publicity because can stimulate children to making consecutive in-app purchases
Trial paymium	Upgrade to paymium	A trial version for a Paymium app. A user have access to a trial for use the product for a predetermined period of time.	<ul style="list-style-type: none"> - Easier to build up a large user base - People who “try before buy” are more likely to become engaged and loyal 	<ul style="list-style-type: none"> - Low conversion rate - Users get used as free and, further, it is required to pay the use

Source: Google, 2012; Localytics, 2014; individual analysis

Table 8: Monetization Models

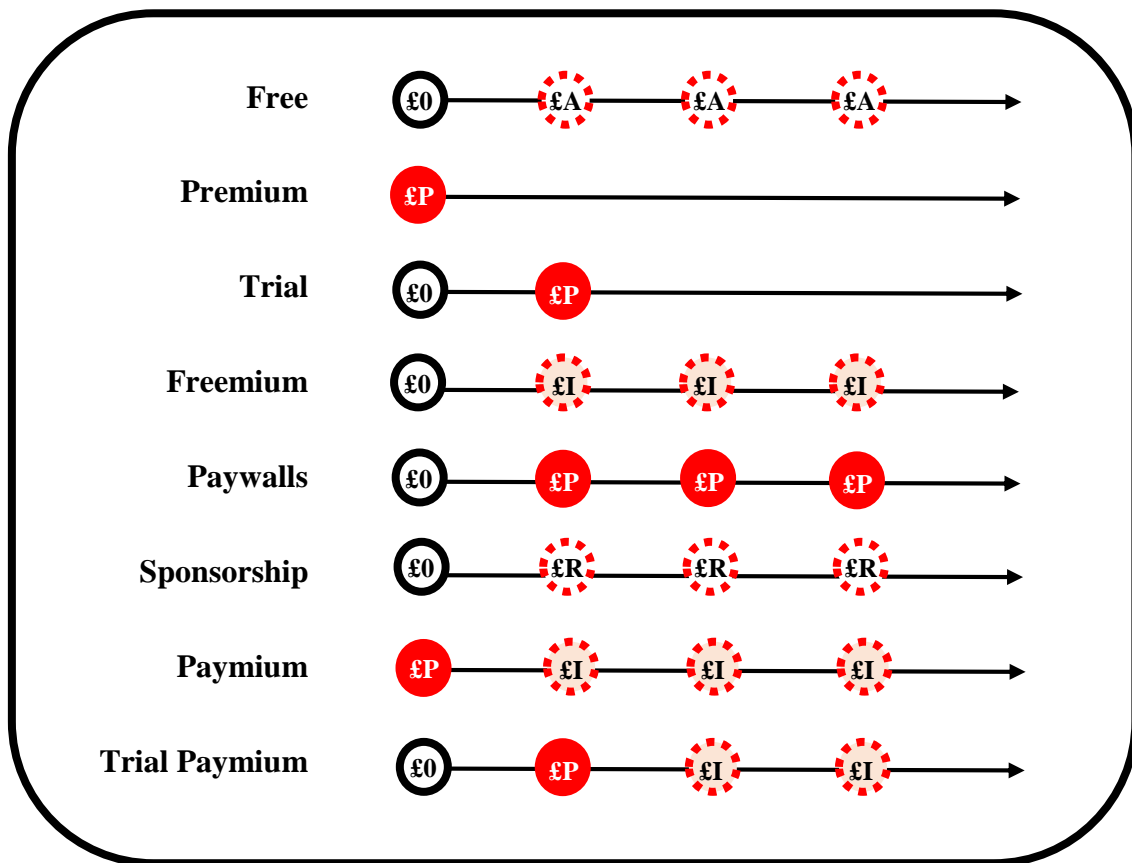


Figure 8: Scheme on flow of revenue by different Monetization Models

Appendix 9 – *finzzy*’ pricing package

As it can be seen through the Figure 9, a *finzzy*’ user have two different price packages to choose when it is using this PFA solution. A full free version is made available, without any ads, allowing to run the basic features and get to know *finzzy*. Only one bank account synchronization, manual budgeting and no cloud backup available are the handicaps on the free version.

Due to the need to monetize this product, a complete version of *finzzy* is available to paid users in a paywalls monetization model. This paid version, for a monthly fee of £2.99, allows the user to synchronize multiple bank accounts, offer a predicted budget using algorithms over the data collected on *finzzy*, and performs online backup to protect data from problems with the device used.

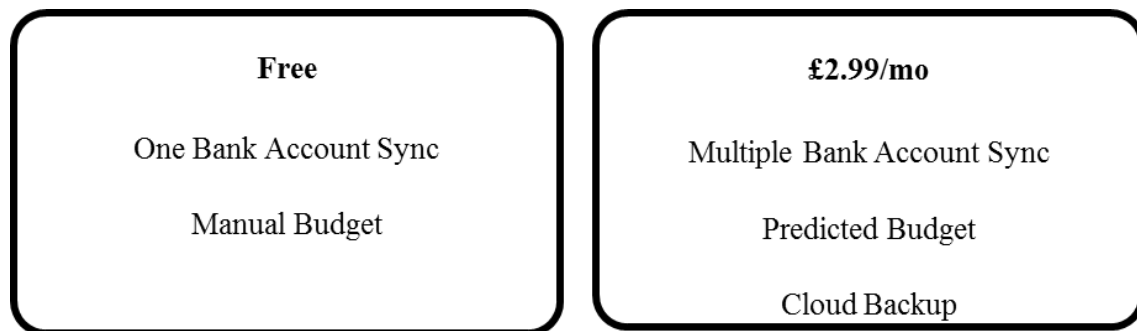


Figure 9: *finzzy*’ pricing package

Appendix 10 - TOWS matrix

To internal and external analysis, some literature suggested SWOT analysis as the most simple and used framework. The value of a SWOT can be leverage by matching and converting: (i) matching is used to find competitive advantage by matching the strengths to opportunities, and (ii) converting is to apply conversion strategies to convert weaknesses or threats into strengths or opportunities (Hill *et al*, 1997). In the same flow, Heinz Weihrich (1982) introduces the TOWS matrix, a conceptual framework that helps to find the most efficient actions upon a usual SWOT analysis.

In order to succeed, the match between external opportunities and threats with internal strengths and weakness should be done, as illustrated in the TOWS matrix below.

	<u>Strengths</u> 1. Mix of smart technology 2. Bank Sync & Automatic categorization 3. Strong & Innovative app provider' company	<u>Weaknesses</u> 1. Monetization Model 2. Weak brand 3. Just operate in UK 4. Multiproduct app provider' company
<u>Opportunities</u> 1. Trend in mobile 2. Trend in personal financial management 3. Innovation 4. Trend in tracking	<u>SO Strategy (maxi-maxi)</u> 1. Exploit the market opportunity 2. Create partnerships to leverage product virility	<u>WO Strategy (mini-maxi)</u> 1. Study new market opportunities 2. Partnership with tracking related companies 3. Build a team just for handle B2C market of Jinni
<u>Threats</u> 1. Intense competition 2. Substitutes products (bank and third parties) 3. System Safety	<u>ST Strategy (maxi-mini)</u> 1. Highlight the differentiator 2. Reduce threat competition by continuous innovation 3. Set the product with best security systems	<u>WT Strategy (mini-mini)</u> A. Overcome W by making S 1. Buy competitors' brand 2. Extend the product to new markets B. Exit the market 1. Sell & Merge with competitor

Figure 10: *finzzy*' TOWS matrix

Appendix 11 – *finzzy*' objectives

As was presented above, the objectives will be divided in five distinct categories. In this appendix it will be set the main objectives for each category. It is also important to highlight that for simplification was adopted the goals as a quarter basis, to fully implementation; this objectives should be break down in monthly or weekly basis. The Q0 represent the moment before product availability in the market, but already in use of real alpha testers.

Appendix 11.1 – Criteria definition

Sales:

- ✓ Cumulative number of downloads – Representing the most public measure in the market, this criteria is computed as the sum of singular downloads in every app store that *finzzy* is available. In the Q0, that match with the alpha-version for test the product in real, represent the number of early adopters who have access to the service.
- ✓ Number of active users – Active users represent the users who open the app more than four times a month.
- ✓ Number of premium users – This goals stand for the number of users who have access to premium features (through a fee payment or promotion campaign).

Serve:

- ✓ Rating on the App Stores – Weighted average rating on Play Store and Apple Store.
- ✓ Retention rate – This measure represent the proportion of active users that keep using the service after one, two or three quarters. So, an active user in Q1 in 80%

of the cases will stay active in Q2, and 95% of that will remain active after two quarters.

- ✓ Repeat purchase – Within the premium users, the loyalty is expected to be higher.

This criteria represents the proportion of paid users that repeat the purchase of premium package in the following quarter.

Save:

- ✓ Cumulative revenue – This criteria state the cumulative revenue coming from paid users.
- ✓ Customer acquisition cost – The acquisition cost represents the expenditures in promoting the product over the add number of active users.
- ✓ Liquid income per active user – Liquid income stands for the relation between revenue per active user and customer acquisition cost.

Speak:

- ✓ Facebook page' likes – Stands for the number of likes (cumulative number) on *finzzy*' facebook page.
- ✓ Twitter followers – This criteria represent the number of followers if *finzzy*' twitter account.
- ✓ Website viewers – Unique visitors on the respective quarter.

Sizzle:

- ✓ Number of recommendations – Users can leverage the ecosystem by recommending *finzzy* to non-users, so, this criteria analyse the success of “referral a friend” campaign.

- ✓ Share of voice – Representing the percentage of advertising activities for one brand within the total advertising activity for an entire industry, in this criteria use frequency, reach and ad ratings.
- ✓ Media appearance – Number of references of *finzzy* on relevant media (press, news, industry bloggers and websites, etc.).

Appendix 11.2 – Criteria targets

5 Ss	Criteria	Q0	Q1	Q2	Q3	Q4
Sales	Cumulative number of downloads	200	70k	120k	160k	210k
	Number of active users	150	42k	66k	83k	108k
	Number of premium users	150	2.9k*	3.4k	4.9k	6.6k
Serve	Rating on App Stores	-	4.0	4.3	4.3	4.5
	Retention rate	-	-	80%	95%	95%
	Repeat purchase	-	-	90%	99%	99%
Save	Cumulative revenue	-	£15k	£46k	£90k	£150k
	Customer acquisition cost	-	£1.07	£0.46	£0.30	£0.23
	Liquid income per active user	-	£-0.71	£0.01	£0.23	£0.32
Speak	Facebook page' likes	3k	8k	9k	9k	10k
	Twitter followers	1k	5k	5k	5k	5k
	Website viewers	2k	3k	1k	1k	1k
Sizzle	Number of Recommendations	-	7k	5k	4k	4k
	Share of voice	50%	80%	30%	30%	30%
	Media appearances	5	30	10	5	5

* From the 2.9k premium users in the Q1, just 1.7k represented paid users, the rest represents users who benefited from promotion offers.

Table 9: Targets for each criteria in a quarterly basis

Appendix 12 – *finzzy*' marketing mix

Marketing Mix	Main Tactics
Price	<ul style="list-style-type: none"> ✓ Paywalls monetization model (see topic 2.3) <ul style="list-style-type: none"> ○ Free for simple features ○ £2.99/mo for full product ✓ Discount (Launch Promotion) <ul style="list-style-type: none"> ○ Name: Referral Campaign ○ Prize: 3 mouths of premium <i>finzzy</i> for free ○ Conditions: Invite new 3 paid users or invite 10 new users
Product	<ul style="list-style-type: none"> ✓ Complete personal finance advisor (see topic 2.2.) ✓ Outperform in the market (see topic 2.4.) ✓ Branding <ul style="list-style-type: none"> ○ <i>finzzy</i> is a Novabase registered trademark ○ <i>finzzy</i> states for finances is easy
Promotion	<ul style="list-style-type: none"> ✓ Promotion is highly detailed in Tactical Tools (see topic 5.2.) ✓ The communication mix will be adapting to the evolution on communication goals
Place	<ul style="list-style-type: none"> ✓ Product available in Apple Store and Play Store
Processes	<p>As defined in Processes strategies (topic 4.1.), the main processes to be built by Novabase should be focused on:</p> <ul style="list-style-type: none"> ✓ Customer experience manager ✓ Social media management ✓ Brand and communication on B2C.
People	<p>To meet the B2C channel' challenges and ensure success it is needed to hire and training human resources in areas such as:</p> <ul style="list-style-type: none"> ✓ Customer Service ✓ SEO/ASO ✓ Public Relations
Physical Evidence	User experience; Customer support
Partners	<p>As it was described in Partnership strategy (topic 4.1.), it is crucial to build and maintain the required partners</p> <ul style="list-style-type: none"> ✓ Broker (a third party to gathering bank information) ✓ Bloggers (personal finance bloggers to content creation)

Table 10: *finzzy*' marketing mix

Appendix 13 – Tactical Tools’ overview

Tactic Tool	Offline Tools	Online Tools	Main Objectives
Advertising	TV and radio commercials, print ads, billboards	Interactive ads, pay per click, display ads, retargeting	Awareness (and credibility)
Publicity (Public Relation)	Attendance at public events, press releases, newsletters.	Online editorial, newsletters, discussion groups, viral marketing	Awareness (and credibility/reputation)
Direct Marketing (Sales Force)	Face-to-face selling, grassroots campaigns	Virtual sales staff, affiliate marketing, chat	Sales (and relationship building and gathering information)
Promotion	Couponing, loyalty schemes	Content marketing, incentives, rewards, online loyalty schemes	Conversion (enquiry/lead/newsletter/sale, post-rate relationship)
Sponsorship	Sponsoring events	Sponsoring online events	Awareness (and credibility and sampling)
Exhibitions	Exhibitors, events, speaking in events	Virtual exhibitors, virtual events, webinars	Sales (and relationship building and gathering information)
Direct Mail	-	Opt-in email and eNewsletter	Sales (and relationship building and gathering information)
Retail/Web Store	Store optimization, product placement	Website (SEO), App Store (ASO)	Relationship building, database building, identifying prospects, enquires, sales, CRM
Word of Mouth	Recommendations, criticisms	Recommendations, criticisms, feedback devices, social media, forums, bogs	Awareness, Credibility (including endorsements and recommendations), Conversions
Packaging	Units, texture, branding	e-tailing, QR Codes, augmented reality, virtual reality	Conversion and relationship building
Social Media	-	Facebook, Twitter, Instagram, etc.	Relationship building (and CRM), Awareness

Source: Mullin, 2010; Smith, 2014; individual analysis

Table 11: Tactical Tools: Offline, Online and Main Objective

Appendix 14 – Tactical Matrix

In this appendix, it is analysed how each tactical tool performs through various stages of the lifetime buying process (awareness, consideration, decision, post-purchase relationship building, and post-purchase repeat sales). The need to select the best communication tool for a particular business stage and target selected creates the necessity of deeply evaluate the potential of each one.

In this analyse, it was taken in consideration nine evaluation criteria:

- (i) Reach – How big an audience it can reach;
- (ii) Speed – How quickly it can reach the audience;
- (iii) Time – How long to create and deliver this tactic;
- (iv) Message Volume – Size of space to fit message in;
- (v) Targeting – How precise can the targeting be;
- (vi) Personalization – Can the tool personalise messages;
- (vii) Cost – How expensive it is to communicate through this tool;
- (viii) Control – Can you control the message with this tactic;
- (ix) Credibility – Credibility level for the specific tactic.

In the following table, it is represented the full analysis for the tactic tools presented.

Table 12: Tactical Matrix

Objective ↓	Benefit →	Reach	Speed	Lead Time	Message Size	Targeting	Personalization	Cost	Control	Credibility (message)
Awareness	Advertising	High	Medium	Long/Med	Medium	High/Med	Medium	Medium	High	Low
	PR	High	Medium	Medium	Large	Low	Low	Low	Low	High
	Sponsorship	High	Low	Long	Small	Low	Low	Medium	Low	Medium
Consideration	Social Media (content marketing)	Medium	Low/Med	Medium	Large	Medium	Med/Low	None	Medium	High
	Word of Mouth	Medium	Low/Med	Long	Medium	High/Med	Low	None	None	High
	Store	Low/Med	Medium	Long	Large	Medium	Medium	Medium	High	Low/Med
Decision	Promotion (couponing)	Low/Med	High	Short	Large	Low/Med	Low	Medium	High	Low
	Sales Force	Low	Medium	Short	Medium	High	High	High	High	Medium
	Exhibitions	Medium	Medium	Med/Long	Large	High	Low	High	Medium	Med/High
Post-Purchase Relationship Building	Packaging	Low	Low	Short	Large	Low	Low	Low	High	Medium
	Promotion (loyalty schemes)	High	High	Short	Large	High	High	Medium	High	High
	Direct Mail (newsletter)	Medium	Medium	Short	Large	High	High	Low	High	Medium
Post-Purchase Repeat Sales	Social Media	Medium	Low	Medium	Large	High	Medium	None	Medium	High
	Direct Mail (offers)	Medium	High	Short	Large	High	High	Low	High	Medium
	Social Media	Medium	Medium	Medium	Large	High	Medium	None	Medium	High
Source: Smith, 2014; individual analysis										

Appendix 15 – *finzzy*’ communication mix plan

Objective	Tool	Tools focus for each Sequence stage			
		Concept	Alpha version	Product release	
				Q1	Q2→
Awareness	Advertising		X	X	
	PR	X	X	X	X
	Sponsorship			X	
	Social Media (content marketing)	X	X	X	X
Consideration	Word of Mouth		X	X	X
	Store			X	X
	Promotion (referral campaign)			X	
Decision	Sales Force				
	Exhibitions		X	X	X
	Packaging				
Post-Purchase Relationship Building	Promotion (loyalty schemes)				X
	Direct Mail (newsletter)				X
	Social Media		X		X
Post-Purchase Repeat Sales	Direct Mail (offers)				X
	Social Media				X

Table 13: *finzzy*’ communication mix plan

Appendix 16 –Mini Action Plans

Appendix 16.1 – Referral Campaign

Planned in the Tactic topic as a pricing strategy to boost user base in the first quarter after product launch, it is important to detail the action plan on implementing this promotion campaign.

Tactic	Objective	Action	Who	When	Budget
Promotion (referral campaign)	Increase user base on 5k active users (450 paid users) over a 3 month period.	Create a special offer for current users in app to invite friends to join the app and a monitor to track results	<i>finzzy</i> ' launch manager	Q1	£1,400 (profit lost)

The idea in this campaign is to boost the launch by giving to first adopters the option of inviting friends and family to use this new app. In this sense, the one who invites ten new active users or three new paid users, will received a 3 months *finzzy* subscriptions for free.

With this campaign, it is predicted to have 600 participants in this campaign, where those 150 users will won the prize by invite three paid users each.

All the promotion will be made through a push notification to early adopters, whereby no costs are associated. To conclude, the profit on lost highlighted refers to the subscriptions offered to winner users.

Table 14: Mini Action Plan for Referral Campaign

Appendix 16.2 – Facebook Ad Campaign

To boost the buzz around *finzzy* before official product release, Novabase will prepare a Facebook ad campaign to increase entries in the waiting list.

Tactic	Objective	Action	Who	When	Budget
Advertising (Facebook ad campaign)	Increase Facebook page visibility in 3M, driving 15k more visitors to the webpage, generating 7.5k new entrants in waiting list.	Sign up for Facebook ads, select specific posts to promote. Define target as UK, 18-35 years old.	<i>finzzy</i> ' social media manager	Alfa version 4weeks	£10,000

The goal of this Facebook ad is to help Novabase building a significant *finzzy* waiting list. This list will help on leverage official *finzzy* release.

The Facebook promoted posts, as a benchmark, recorded a click rate around 0.5%. By planning a Facebook ad campaign targeted to UK with 18-35 years, it is expected a virility about 750k per week. For ads, it is estimated a 50% conversion rate for webpage visitors to sign up the waiting list. Thus, in 4 weeks ad campaign, it is expected to record 7.5k new entrants in *finzzy*' waiting list. This ad campaign do not recorded any direct revenue, nevertheless, from the 7.5k it is expected a 4% conversion to paid users (300).

Media	Budget	Potential reach	Clickthrough rate (%)	Clickthroughs	Estimate cost per click
Facebook	£ 10,000	3,000,000	0.5	30,000	£ 0.33

Table 15: Mini Action Plan for Referral Campaign

Appendix 17 –Content Marketing Creation

Content marketing is a major component on *finzzy* strategy. It has the purpose to attract visitors, help to build a community and drive the interest to the app. It is also important in post-purchase phases, being a platform to retain customers. Content marketing is all about creating and distributing, at right time, relevant content that helps viewers to achieve their goals. The content choice is strongly connected with product mission, brand personality and the visitors' needs.

In case of Novabase, the company is not prepared to build sufficient content (related personal finance management), needed to attract and engage customers through social media pages. Following that, the content creation strategy should be based in partnerships with well-known personal finance bloggers. In this way, Novabase creates a platform where bloggers leverage their content and, at the same time, creates a cheaper process to create content in a daily basis.

Outsourcing the main work on content creation, Novabase do not need to build a team to lead with this task. Nevertheless, bloggers will act as *finzzy* ambassadors and the content produced by them and further shared in *finzzy*'s networks needs to be align with *finzzy* mission and brand personality. The partnership should be sustained by a benefit package offered to bloggers that should include *finzzy*' free subscription, paid attendance to events related to finance and a variable pay check accorded to post success.

Appendix 18 – Social Media Guidelines

The Social Media Guidelines may include attitude, topics, content type and frequency. A 4-1-1 rule from Tippingpoint Labs (2012) should be followed to deliver a well balanced content based social media pages. The rule states that for every one self-serving post, it should re-post one relevant post and most importantly share four pieces of relevant content written by others. What is great about this approach is that it lets the company engage the conversation, build awareness and keep in touch with its followers, without coming across as pushy or too selfish focused.

This guidelines should also include netiquette: the do's and don'ts of online communication. Jeff Roach (2014) drew a ten point policy to guarantee success in communicate through social media. This policy stands for (i) be kind; (ii) be a person, not a company; (iii) spend more time listening and liking, then posting; (iv) expectations for professional conduct are the same online as offline; (v) do not embarrass or disparage the company; (vi) do not share private or confidential information; (vii) understand that any (private) post can accidentally become public; (viii) pay attention to conversations about the company; (ix) be mindful of the reputation that it is creating; and (x) be authentic.

Social media guidelines may also (i) clarify the organisation's social media objectives; (ii) define the responsible for create content, review and post; (iii) set security measure such as password stored and updated; and (iv) build crisis planning for senior management.

Appendix 19 – LinkedIn Checklist

A checklist is used to reduce failure by compensating for potential limits of human memory and attention. It helps to ensure consistency and completeness in carrying out a task. Checklists serve as a good contingency planning at also a good continuity planning.

Jason Miller (2013) elaborate a simple but effective checklist to control LinkedIn page. Being a good starting point, this checklist can, and should be, developed into a much more detailed checklist.

Tactic	Achieved? Yes / No
Optimize LinkedIn Page	
Engage the Audience	
Attract More Followers	
Follow the 4-1-1 Rule	
Analyse	

Table 16: LinkedIn checklist

Appendix 20 – Actions Gantt chart

As a summary, it is important to create a Gantt chart (Weaver, 2012) to resume the main actions on a plan. A Gantt chart is a tool commonly used in project management, a popular and useful way of presenting actions (tasks or events) displayed in a time frame.

A high detailed Gantt chart should be developed for each team, highlighting the team actions’ responsibilities in a time line perspective.

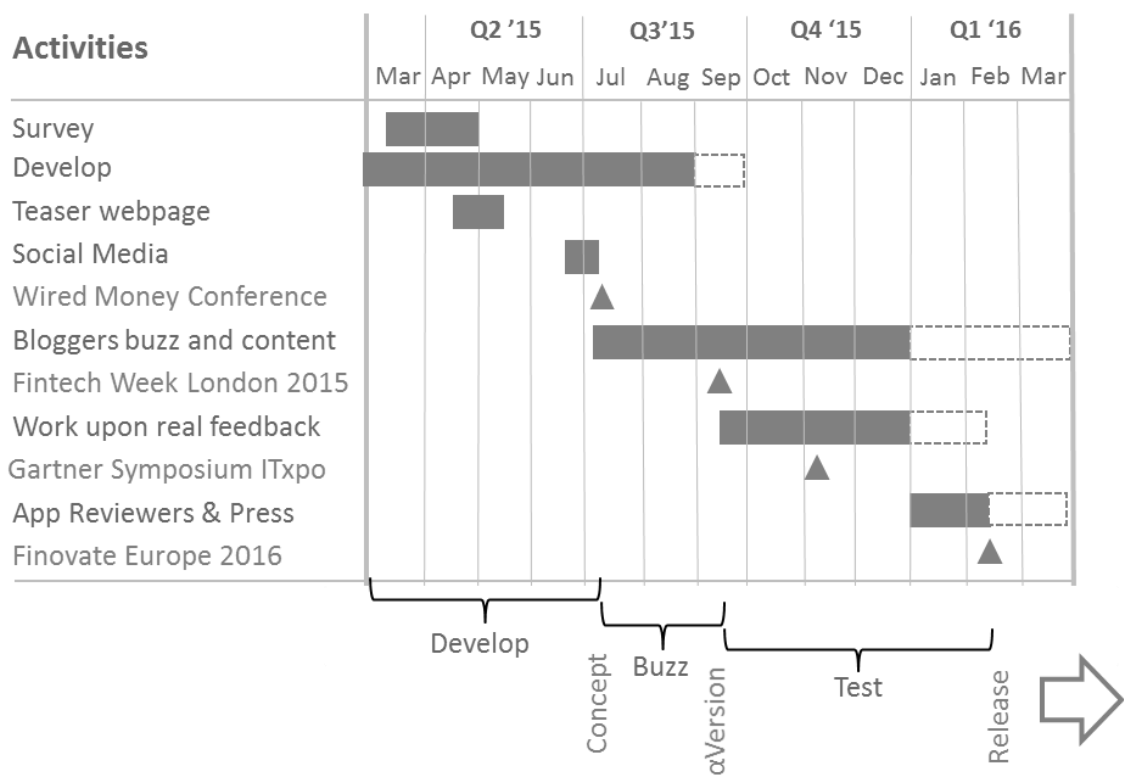


Figure 11: Gantt chart for *finzzy*’ main actions

Appendix 21 – Full Bibliography

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